

**ASSOCIATES AWARD (NO. LAG-A-00-00-00019-00)**  
**“FORESTS AND THE CLEAN DEVELOPMENT MECHANISM:  
ANALYSIS AND POLICY DIALOGUE IN THE ANDEAN REGION”**

**CLIMATE CHANGE PROGRAM AND BOLIVIA COUNTRY PROGRAM  
THE NATURE CONSERVANCY**

**FIFTH QUARTERLY REPORT  
OCTOBER – DECEMBER 2002**

As described in the October 2000 workplan for the above-referenced Associates Award, the goal of this project is: to ensure that the potential is realized in the Andean Region for achieving long-term conservation, sustainable development and climate protection through forest-based activities under the United Nations Framework Convention on Climate Change. Various activities carried out under this Award will help fulfill the following five objectives:

**OBJECTIVE 1:** Conduct Green House Gas (GHG) Inventory and Projection for the Bolivian Government

**OBJECTIVE 2:** Provide technical assistance to the Government of Bolivia entities involved in Climate Change negotiations regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

**OBJECTIVE 3:** Strengthen the capacity for analysis and negotiation of the Government of Bolivia Climate Change negotiators regarding the treatment of land use change and forestry (LUCF) within the UNFCCC.

**OBJECTIVE 4:** Develop additional miscellaneous Climate Change activities.

**OBJECTIVE 5:** Contribute to the development of shared regional positions among the Andean countries regarding the treatment of LUCF within the CDM and, more broadly, among the countries of the Amazon basin.

**OBJECTIVE 6:** Strengthen the capacity for analysis and negotiation of the Andean countries regarding the inclusion of land use change and forestry (LUCF) projects in the Clean Development Mechanism.

***Activities conducted during reporting period to achieve objective 1***

**Assess economic, social, technical, and political capacities to adopt a national GHG emissions cap:**

- Bolivia's national GHG inventories from 1990 and 1994 were revised and recalculated using the new IPCC methodologies, including an analysis of IPCC 'best practices recently approved for these inventories.
- Data collection began for the 1998 and 2000 inventories. The consultants that were hired for each of the sector-specific inventories presented the final drafts of their research. These drafts are being reviewed by the Executive Committee of PNCC. Three of the consultants' contracts were extended to allow for them to complete their studies and compile their results into the database.

***Activities conducted during reporting period to achieve Objective 2***

This objective was completed during the first reporting period. No further activities were carried out.

***Activities conducted during reporting period to achieve Objective 3***

This objective was completed during the third reporting period.

***Activities conducted during reporting period to achieve Objective 4***

**Miscellaneous climate change activities:**

- PNCC has begun negotiations to hire a consultant who will help develop legislation guaranteeing investments in climate projects in Bolivia.

***Activities conducted during reporting period to achieve Objective 5***

No further activities were carried out during this reporting period.

***Activities conducted during reporting period to achieve Objective 6***

**Analytical papers:**

- During the reporting period, the contracted authors produced first drafts of two of the three analytical papers: permanence and leakage. The project coordinator in Quito, Ecuador circulated the permanence draft to external reviewers and managed comments from eight respondents, including several from U.S. agencies (USDA,

USAID, and USFS). Further work on the first draft of the leakage paper was done to prepare it for external review early in 2002. Contracting of the author of the third paper (scale) was finalized after some delay and work begun on a first draft to be completed sometime during the next quarter of activity.

- The grant administrator (TNC) and project coordinator in Quito maintained regular communication via phone and email to review progress and to coordinate future work. TNC met twice with USAID staff to coordinate USG review of the papers, as well as to begin to develop a proposed technical meeting between Andean and USG climate experts.